REMARKS

The Office Action of September 1, 2004, has been reviewed, and in view of the following remarks, reconsideration and allowance of all of the claims pending in the application are respectfully requested.

According to one embodiment of the present invention, a system and method provide incentives to customers where the incentives are tailored to the customer's needs and expectations while achieving profitability to the provider. An embodiment of the present invention may determine a set of incentives based on call type, customer segmentation, as well as profitability factors. Upon receiving a request for termination or other request, the customer may be routed to an appropriate person, department, or group where the customer's account data may be identified and retrieved. The call type may be identified which describes the caller's present situation. Taking into consideration customer payment history and/or other past behavior, the customer may be categorized as a customer segment. Based on the call type, customer segment and profitability factors, a set of tailored incentives may be determined and offered to the customer to promote customer loyalty and retention. If the customer does not accept the incentive, other sales opportunities may be offered to the customer in an effort to retain customer loyalty.

Claims 19 - 38 are Patentable Over Eggleston

Claims 19-38 are presently rejected under 35 USC § 103(a) as being allegedly unpatentable over U.S. Patent No. 6,061,660 to Eggleston. The Office Action alleges that the combination of limitations claimed by Applicants are obvious as taught by Eggleston. The Office Action recognizes that Eggleston fails to show at least "identifying one or more incentives

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based on the request type, the customer segment and one or more profitability factors associated

with a provider of the one or more incentives." (see page 4, Office Action mailed September 1,

2004) For at least these deficiencies, the Office Action alleges that it would have been obvious

to modify Eggleston to include the admitted missing elements to provide "a new incentive

program and award system for using a computer network, preferably the Internet, to provide

consumer access to expanded incentive programs...." (see Eggleston (col. 5, ll. 45-55) based on

the alleged motivation to modify Eggleston so as to "build, buy, store, modify, offer, track and

administer incentive programs and to permit sponsors and retailers to offer improved award

fulfillment for participants in incentive programs." (see pages 4-5 of Office Action mailed

September 1, 2004).

Eggleston appears to be directed to a system and method for incentive programs and

award fulfillment where a host may provide sponsoring companies with the capability to buy

prepackaged or self-built incentive programs. (Abstract). According to Eggleston, the incentive

program and award system provides consumer access to expanded incentive programs to permit

sponsors to build, buy, store and modify, offer, track and administer incentive programs and to

permit sponsors and retailers to offer improved award fulfillment for participants in incentive

programs (col. 5, lines 46-54). The consumer site of Eggleston alleges to permit the consumer to

query a database that provides status information for the consumer regarding participation in host

incentive programs (col. 12, lines 58-60). It appears that Eggleston is directed to providing an

interface for consumers to track incentive information from a sponsor.

In addressing the admitted missing claim limitations, the Office Action relies upon

various excerpts from Eggleston as well as FIGs. 8, 9, and 20 and "whole document." The

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excerpts relied upon by the Office Action (col. 12, lines 57-67; col. 13, lines 1-10; col. 16, lines 45-67; col. 17, lines 1-10; col. 1, lines 35-47; col. 39, lines 50-65 and col. 42, lines 30-67) are directed to consumer access to consumer data related to loyalty programs and fail to provide any disclosure or teaching directed to "identifying one or more incentives based on the request type, the customer segment and one or more profitability factors associated with a provider of the one or more incentives" where "the request type identifies the customer's current situation" and where "the customer segment identifies the customer's past behavior." In addition, FIGs. 8, 9 and 20 completely fail to provide any disclosure directed to request type, customer segment and profitability factors as recited by the claim limitations. Based on the disclosure of Eggleston, it is unclear as to how customer access to consumer data could "implicitly show" the claim limitation "identifying one or more incentives based on the request type, the customer segment and one or more profitability factors associated with a provider of the one or more incentives," as recited by Applicants. The system of Eggleston describes a completely different system for accessing consumer data related to loyalty programs through a consumer interface without any

In addition, the Office Action has completely failed to address the limitation directed to "offering the customer at least one of the identified one or more incentives for retaining the customer in response to the request" as recited in independent claim 19. A similar limitation is recited in independent claim 29. Eggleston fails to provide any disclosure or teaching concerning at least this limitation.

concern for identifying request type, consumer segment and profitability factors.

As for claim 20 which recites "wherein the request is a request to terminate a relationship with the provider," the Office Action relies upon col. 33, lines 38-52 which discusses records in

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the consumer database 200 and sponsor database 202 where information identifying incentive

program, begin date, end date may be stored and col. 35, lines 2-20 which discusses a sponsor

being able to build incentive programs to include graphical representations. Clearly, these

excerpts completely fail to disclose offering the customer one or more incentives for retaining

the customer in response to the request wherein the request is a request to terminate a

relationship with the provider, as recited by Applicants. There is absolutely no disclosure cited

by the Examiner or within the entire disclosure of Eggleston that meets at least this limitation.

Therefore, the rejections are improper and claims 20 and 30 should be allowable.

The Office Action alleges that "it would have been obvious to modify and interpret the

disclosure of Eggleston ... as showing "identifying one or more incentives based on the request

type, the customer segment and one or more profitability factors associated with a provider of

the one or more incentives" because modification and interpretation of the cited disclosure of

Eggleston would have provided "a new incentive program and award system for using a

computer network, preferably the Internet, to provide consumer access to expanded incentive

programs ..." ... "based on the motivation to modify Eggleston so as to "build, buy, store,

modify, offer, track and administer incentive programs and to permit sponsors and retailers to

offer improved aware fulfillment for participants in incentive programs." Applicants respectfully

disagree.

The alleged "motivation" statement provided by the Examiner is improper for many

reasons. The Examiner appears to equate a statement of motivation to an application of improper

claim interpretation. The Examiner states that "it would have been obvious to modify and

interpret the disclosure of Eggleston as showing the missing limitations" (page 4, Office

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Action mailed September 1, 2004, emphasis added). Either a reference shows the limitation or it

does not - obviousness does not apply to claim interpretation, as suggested by the Examiner. It

appears the Examiner is supporting an improper interpretation of the Eggleston reference in such

a way as to modify the system of Eggleston to somehow meet the claimed invention of

Applicants. For at least these reasons, the alleged motivation for modifying Eggleston is

improper and the rejections should be withdrawn.

In addition, the Examiner has failed to explain or even attempt to explain how the

missing elements are met by Eggleston. Further, upon close examination of the highlighted

excerpts as well as the "whole document," there is nothing in Eggleston to suggest identifying

one or more incentives based on the request type, the customer segment and one or more

profitability factors associated with a provider of the one or more incentives, as recited by

Applicants. In fact, request type, customer segment profitability factors, as recited by

Applicants, are not even discussed in Eggleston. Further, the alleged teaching relied upon by the

Office Action has nothing to do with the admitted missing elements of Eggleston. The basis for

motivation is improper and the rejections should be withdrawn.

It is also noted that for various other missing limitations, the Examiner has applied the

exact same alleged statement of "motivation" without any concern for explaining how the

missing elements are met by any teaching of Eggleston. It is reasonable to believe that there is

no proper motivation for modifying Eggleston as suggested by the Office Action.

The Modification of Eggleston is Based Purely on Improper Hindsight

The Office Action has failed to set forth a prima facie case of obviousness for the claims.

Specifically, when a primary reference is missing elements, the law of obviousness requires that

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the Office set forth some motivation why one of ordinary skill in the art would have been

motivated to modify the primary reference in the exact manner proposed. Ruiz v. A.B. Chance

Co., 234 F.3d 654, 664 (Fed. Cir. 2000). In other words, there must be some recognition that the

primary reference has a problem and that the proposed modification will solve that exact

problem. All of this motivation must come from the teachings of the prior art to avoid

impermissible hindsight looking back at the time of the invention.

In the present case, the Office Action's sole justification for modifying Eggleston has

absolutely nothing to do with the deficiencies of Eggleston. As admitted by the Office Action,

Eggleston fails to show at least "identifying one or more incentives based on the request type, the

customer segment and one or more profitability factors associated with a provider of the one or

more incentives." To properly modify Eggleston to correct for these major deficiencies, the

Office has the burden to show some motivation why providing those elements would have

overcome some perceived problem with Eggleston. Any such motivation is completely lacking.

Accordingly, the Office has failed to provide any proper motivation for modifying

Eggleston, so the proposed modification fails. Even if Eggleston could be modified as suggested

by the Office Action, the resulting combination would nevertheless fail to show each and every

limitation claimed by Applicants.

The mere fact that Eggleston can be modified does not render the resultant modification

obvious unless there is a suggestion or motivation found somewhere in the prior art regarding the

desirability of the combination or modification. See M.P.E.P § 2143.01; see also In re Mills, 16

U.S.P.Q.2d 1430, 1432 (Fed. Cir. 1990); In re Fritz, 23 U.S.P.Q.2d 1780 (Fed. Cir. 1992). In

addition, the teaching or suggestion to make the claimed combination and the reasonable

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expectation of success must both be found in the prior art, not in Applicants' disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991).

In *In re Hedges*, 783, F.2d 1038, 1041, 228 U.S.P.Q. 685, 687, (Fed. Cir. 1986), the U.S. Court of Appeals for the Federal Circuit stated that "the prior art as a whole must be considered. The teachings are to be viewed as they would have been viewed by one of ordinary skill." The court also stated that "[i]t is impermissible within the framework of section 103 to pick and choose from any one reference only so much of it as will support a given position, to the exclusion of other parts necessary to the full appreciation of what such reference fairly suggests to one of ordinary skill in the art" (quoting *In re Wesslau*, 353 F.2d 238, 241, 147 U.S.P.Q. 391, 393 (CCPA, 1965)).

Therefore, Eggleston fails to show, teach or make obvious the invention as claimed by Applicants. The Office Action has failed to provide proper motivation for modifying the Eggleston reference. In addition, the Office Action has utterly failed to address each and every claim limitations, as recited by the independent claims and dependent claims. Even if the Eggleston reference could be modified as suggested by the Office Action, the resulting combination would fail to disclose the combination of claimed limitations.

Dependent claims 20-28 and 30-38 are Each Separately Patentable over Eggleston

Claims 20-28 and 30-38 all depend ultimately from one of independent claims 19 and 29. As such, each of these dependent claims contain each of the features recited in the independent claims. For the reasons stated above, Eggleston fails to disclose the claimed inventions and the rejections should be withdrawn. Additionally, these claims are separately patentable over Eggleston.

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For the remaining dependent claims, the Office Action repeatedly relies upon "the whole

document" Upon close examination of the highlighted section as well as the entire Eggleston

reference, it is clear that Eggleston fails to show or make obvious the combination of claim

limitations. The Examiner has failed to provide a basis of rejection for each and every claim

limitation, as mandated by MPEP §§ 706.02(j) and 2143.03. The initial burden is on the

Examiner to provide some suggestion of the desirability of doing what the inventor has done.

The Examiner has clearly failed to reach the initial burden. Of particular note is that the

Examiner has repeatedly failed to point to an actual teaching in the reference, but rather relies on

"the whole document." It is clear that each limitation alone and in the claimed combinations, as

recited by independent claims 19 and 29, are not shown in Eggleston.

In addressing dependent claims 22-28 and 30-38, the Examiner alleges that Eggleston

inherently shows all of the elements and limitations of claims 22-28 and 30-38. Applicants

respectfully disagree. Again, the Examiner has completely failed to rely upon any disclosure or

teaching in Eggleston but rather basis the rejection on broad conclusory statements.

Official Notice

The Examiner has taken official notice that the concepts and advantages of "all of the

elements and limitations of claims 22-28 were well known and expected in the art by one of

ordinary skill at the time of the invention." Applicants respectfully disagree and challenge the

Examiner's assertion of Official Notice and request the Examiner to provide teaching references

that establish that "all of the elements and limitations of claims 22-28" and 30-38 are well known

in the art. The Applicant traverses this rejection because there is no support in the record for the

conclusion that the identified features are "old and well known." In accordance with MPEP §

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2144.03, the Examiner must cite a reference in support of his position. In addition, for a proper 103 rejection, there must be some motivation to modify the primary reference as suggested by

the Office Action. Any such motivation is completely lacking. In addressing "all of the

elements and limitations of claims 22-28," the Examiner applies the same improper statement of

motivation that fails to establish why one of ordinary skill in the art would have been motivated

to modify the system of Eggleston to meet the combination of claim limitations recited by

Applicants. Any such showing of proper motivation or valid attempt at such is completely

lacking.

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CONCLUSION

In view of the foregoing amendments and arguments, it is respectfully submitted that this

application is now in condition for allowance. If the Examiner believes that prosecution and

allowance of the application will be expedited through an interview, whether personal or

telephonic, the Examiner is invited to telephone the undersigned with any suggestions leading to

the favorable disposition of the application.

It is believed that no fees are due for filing this Response. However, the Director is

hereby authorized to treat any current or future reply, requiring a petition for an extension of

time for its timely submission as incorporating a petition for extension of time for the appropriate

length of time. Applicants also authorize the Director to charge all required fees, fees under 37

C.F.R. §1.17, or all required extension of time fees, to the undersigned's Deposit Account No.

50-0206.

Respectfully submitted,

HUNTON & WILLIAMS LLP

Date: September 24, 2004

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